

**Testimony on Senate Bill 570
to
The Senate Ways and Means Committee**

**by Constantine V. Cotsoradis
Deputy Secretary
Kansas Department of Agriculture**

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Good morning, Chairman Emler, and members of the committee. I am Constantine Cotsoradis, deputy secretary of agriculture, and I am here in support of Senate Bill 570.

SB 570 creates a new statute that establishes a lodging fee fund and directs all money received from lodging license fees to go into that fund. Previously, the lodging program was funded through an appropriation from the state general fund. The annual cost of operating the program is \$245,000. Unfortunately, to meet our November 2009 allotment, we were forced to temporarily suspend the program beginning January 2010.

Fees to fund this program will come from an increase to the lodging establishment license fees. The base license fee is increased from \$30 to \$80, and the fee for each additional 10 rooms is increased from \$5 to \$20. The maximum fee for a new license application is increased from \$100 to \$200, and the fee for a duplicate license is increased from \$3 to \$5.

These increases should generate about \$155,000, which would allow our Food Safety and Lodging program to inspect all newly licensed facilities as required by KSA 36-502. In addition, the bill proposes amendments to K.S.A. 36-518, which requires our department to investigate complaints involving lodging establishments. This funding will allow us to inspect those facilities. We will be able to perform routine inspections of all lodging facilities in the state every two to three years, instead of once every 12 to 18 months as we had done previously. We plan to hire two inspectors who, along with existing inspectors, will be cross-trained to perform both food safety and lodging inspections. This will increase program efficiency, help reduce travel time and allow for the maximum number of facilities to be inspected. It should be noted that the governor's recommendation for FY 2011 eliminated three FTE positions responsible for lodging inspections before the program was suspended. If this bill passes, we would like two of those positions reinstated.

The bill also deletes a statute that directs to the state general fund all fees received pursuant to the food service and lodging act, and this provides an opportunity to simply how fees are pooled to fund food safety inspections. The deleted statute required some food service fees to go into a food inspection reimbursement fee fund. Provisions of this bill will allow those fees to now go into the food safety fee fund. This bill also allows fees now going into the food

inspection fee fund to also go into the food safety fee fund. This creates a single pool for all food safety fees from which to operate food safety functions. The food safety fee fund currently is authorized by a budget proviso that was part of KDHE's budget when we took over the program. We believe this should be in substantive law, and the bill clarifies this intent.

It is important that a state-operated lodging program exist because it instills confidence in Kansas residents and visitors that our hotels are being inspected and are operating under the required sanitation standards. We support SB 570 because it will provide for a program that meets the needs of the lodging industry, tourism and consumers, and it will do it for a lower cost than the program we suspended

I will stand for questions at the appropriate time.